

AMENDED IN ASSEMBLY AUGUST 9, 2012  
AMENDED IN ASSEMBLY AUGUST 6, 2012  
AMENDED IN ASSEMBLY JUNE 25, 2012  
AMENDED IN ASSEMBLY JUNE 4, 2012  
AMENDED IN SENATE JUNE 9, 2011

**SENATE BILL**

**No. 878**

**Introduced by Senator DeSaulnier**  
(Coauthor: Assembly Member Bonnie Lowenthal)

February 18, 2011

---

---

*An act to add Part 5.1 (commencing with Section 14460) to Division 3 of Title 2 of the Government Code, relating to transportation.*

LEGISLATIVE COUNSEL'S DIGEST

SB 878, as amended, DeSaulnier. ~~California Transportation Commission. Office of the Transportation Inspector General.~~

*Existing law creates various state transportation agencies, including the Department of Transportation and the High-Speed Rail Authority, with specified powers and duties. Existing law provides for the allocation of state transportation funds, including fuel tax revenues allocated from the Highway Users Tax Account, to various transportation purposes. Existing law provides funding for transportation capital improvement projects undertaken by the department or regional or local transportation agencies.*

*This bill would create the Office of the Transportation Inspector General in state government as an independent office that would not be a subdivision of any other government entity, to ensure that all state, regional, and local agencies expending state transportation funds are*

*operating efficiently, effectively, and in compliance with federal and state laws. The bill would provide for the Governor to appoint the Inspector General for a 6-year term, subject to confirmation by the Senate, and would provide that the Inspector General may not be removed from office during the term except for good cause. The bill would specify certain duties and responsibilities of the Inspector General, would require an annual report to the Legislature and Governor, and would provide for funding the office, to the extent possible, from federal transportation funds, with other necessary funding to be made available in proportion to the activities of the office from the Highway Users' Tax Account and an account from which high-speed rail activities may be funded.*

~~Existing law creates the California Transportation Commission and imposes various duties on the commission, including, but not limited to, assisting the Legislature in formulating and evaluating state policies and plans for transportation programs in the state. Under existing law, there is also a Department of Transportation and its duties include, among others, supporting the commission in coordinating and developing, in cooperation with local and regional entities, comprehensive balanced transportation planning and policy for the movement of people and goods within this state. Existing law requires the state transportation improvement program to include a listing of all capital improvement projects that are expected to receive a specified allocation of state transportation funds from the commission. Under existing law, the commission is required to biennially adopt and submit a state transportation improvement program to the Governor and the Legislature.~~

~~Existing law creates the High-Speed Rail Authority with specified powers and duties relating to the development and implementation of an intercity high-speed rail system. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, authorizes \$9.95 billion in general obligation bonds for high-speed rail development and other related purposes.~~

~~This bill would require the commission to undertake a study to assess the appropriateness of establishing an office of inspector general to ensure that the department, the authority, and transportation agencies with projects funded completely or in part from funds in the state transportation improvement program or state bonds are operating efficiently, effectively, and in compliance with the state and federal laws governing the performance of transportation agencies. The bill~~

~~would require the commission to consult with specified federal and state agencies in this regard and would require the commission to prepare a written report regarding the advisability of creating an office of inspector general and to submit it to the Governor and the Legislature by January 31, 2014.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Part 5.1 (commencing with Section 14460) is  
2     added to Division 3 of Title 2 of the Government Code, to read:

3  
4     PART 5.1. OFFICE OF THE TRANSPORTATION INSPECTOR  
5                     GENERAL  
6

7     14460. (a) There is hereby created in state government the  
8     independent Office of the Transportation Inspector General, which  
9     shall not be a subdivision of any other governmental entity, to  
10    ensure that the Department of Transportation, the High-Speed  
11    Rail Authority, and all other state, regional, and local agencies  
12    expending state transportation funds are operating efficiently,  
13    effectively, and in compliance with applicable federal and state  
14    laws.

15    (b) The Governor shall appoint, subject to confirmation by the  
16    Senate, the Transportation Inspector General to a six-year term.  
17    The Transportation Inspector General may not be removed from  
18    office during that term, except for good cause.

19    (c) The Transportation Inspector General shall review policies,  
20    practices, and procedures, and conduct audits and investigations  
21    of all activities involving state transportation funds in consultation  
22    with all affected agencies. Specifically, the Transportation  
23    Inspector General's duties and responsibilities shall include, but  
24    not be limited to, all of the following:

25    (1) To identify best practices in the delivery of transportation  
26    projects and develop policies or recommend proposed legislation  
27    enabling the state and local agencies to adopt these practices when  
28    practicable.

29    (2) To provide objective analysis of, and when possible, offer  
30    solutions to, concerns raised by the public or generated within

1 agencies involving the state's transportation infrastructure and  
2 project delivery methods.

3 (3) To conduct, supervise, and coordinate audits and  
4 investigations relating to the programs and operations of all state,  
5 regional, and local transportation agencies with state-funded  
6 transportation projects.

7 (4) To recommend policies promoting economy and efficiency  
8 in the administration of programs and operations of all state,  
9 regional, and local transportation agencies with state-funded  
10 transportation projects.

11 (d) The Transportation Inspector General shall report annually  
12 to the Governor and Legislature with a summary of his or her  
13 findings, investigations, and audits. The summary shall be posted  
14 on the Transportation Inspector General's Internet Web site and  
15 shall otherwise be made available to the public upon its release  
16 to the Governor and Legislature. The summary shall include, but  
17 need not be limited to, significant problems discovered by the  
18 Transportation Inspector General and whether recommendations  
19 of the Inspector General relative to investigations and audits have  
20 been implemented by the affected agencies. The report shall be  
21 submitted to the Legislature pursuant to Section 9795.

22 (e) The Transportation Inspector General shall, in consultation  
23 with the Department of Finance, develop a methodology for  
24 producing a workload budget to be used for annually adjusting  
25 the budget of the Office of the Transportation Inspector General,  
26 beginning with the budget for the 2013–14 fiscal year. To the extent  
27 possible, the office shall be funded with federal transportation  
28 funds. Should federal funding not be available to fully fund this  
29 office, funding shall be made available, in proportion to the  
30 activities of the office, from the Highway Users Tax Account and  
31 an account from which high-speed rail activities may be funded.

32 ~~SECTION 1. (a) The California Transportation Commission~~  
33 ~~shall undertake a study to assess the appropriateness of establishing~~  
34 ~~an office of inspector general within state government to ensure~~  
35 ~~the Department of Transportation, the High-Speed Rail Authority,~~  
36 ~~and transportation agencies with projects funded completely or in~~  
37 ~~part from funds in the state transportation improvement program~~  
38 ~~or state bonds are operating efficiently, effectively, and in~~  
39 ~~compliance with federal and state laws governing the performance~~  
40 ~~of transportation agencies.~~

1     ~~(b) In carrying out this study, the commission shall review the~~  
2     ~~federal Inspector General Act of 1978 (5 U.S.C. App. 3), the~~  
3     ~~experience of other states that have an office of inspector general,~~  
4     ~~and the experience of local transportation agencies that have an~~  
5     ~~office of inspector general, and shall consult with the Bureau of~~  
6     ~~State Audits, the Inspector General of the United States Department~~  
7     ~~of Transportation, and other individuals and organizations that~~  
8     ~~may have relevant information related to an office of inspector~~  
9     ~~general.~~

10    ~~(c) The commission shall prepare a written report regarding the~~  
11    ~~advisability of creating an office of inspector general and shall~~  
12    ~~submit the written report to the Governor and the Legislature by~~  
13    ~~January 31, 2014.~~

14    ~~(d) A report to the Legislature pursuant to this section shall be~~  
15    ~~submitted in compliance with Section 9795 of the Government~~  
16    ~~Code.~~